## **SUMMARY ANALYSIS OF AMENDED BILL**

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Related Bills: See Prior Analysis   Telephone: 845-3627   Amended Date: 03-28-2000    Attorney: Patrick Kusiak   Sponsor:    SUBJECT: Sales Or Use Tax Paid For Agriculture Equipment Credit    DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced-amended    X AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced   February 17, 2000.    X BIOTRODUCED FEBRUARY DISTRICT CHANGED TO    X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED Echnary 17, 2000, STILL APPLIES.    OTHER - Sec comments below.    SUMMARY OF BILL    This bill would provide a credit equal to the sales or use tax paid or incurred during the taxable or income year for agricultural equipment (as defined).    SUMMARY OF AMENDMENT    The March 28, 2000 amendments would add equipment used in winegrower operations to the meaning of "agricultural equipment."    As a result of the term "winegrower operations," an additional implementation concerns ab been included below. In addition, the earlier implementation concerns provided in the department's previous analysis have been provided below for convenience.    Except for the discussion of this analysis, the department's analysis of SB 1553 as introduced February 17, 2000, still applies.    Implementation Considerations    It is unclear what the term "winegrower operations" is intended to cover.    Winegrower operations" could be the vineyrad in which the grapes are grown or a business at which the wine is produced and bottled. This term should be clarified.    This bill does not limit the eligibility of the credit to the taxpayer that incurred or paid the sales or use tax or require that the taxpayer be engaged in an agricultural activity. To ensure proper interpretation, this bill should state that the credit is allowed to a "qualified taxpayer" and specifically define that term to include only those to whom the credit is intended.	Author: Monteith	Analyst: Roger Lacke	Bill Number: SB 1553				
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Senate Bill 1553 (Monteith) As Proposed to be Amended Page 2

Since this bill would permit unlimited credit carryover, the department would be required to retain the carryover credit on the tax forms indefinitely. Recent credits provide carryover limits because experience shows credits are typically used within eight years of being earned. Once the implementation concerns are resolved, implementing this bill would not significantly impact the department's programs and operations.

## Tax Revenue Estimate

No change to prior revenue estimate.

This amendment does not affect the prior estimate. Implements of husbandry, as defined in Section 411, include any tool machine, equipment, appliance, device or apparatus used in the conduct of agricultural operations." This section does not limit either the type of equipment or the kind of agricultural operation. The prior estimate, therefore, takes into account all types of equipment purchased by all kinds of agricultural entities.

## BOARD POSITION

Pending.